

Nucleus Software Limited
Statutory Audit for the year ended
31 March 2018

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NUCLEUS SOFTWARE LIMITED

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Nucleus Software Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS financial statements')

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the



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appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we enclose in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;



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- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited Standalone financial statements for the period ended 31 March 2017 have been disclosed.

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024



Rakesh Dewan
Partner
Membership No.: 092212

Place: Gurugram
Date: 03 May 2018

Annexure A referred to in our Independent Auditors' Report to the members of Nucleus Software Limited on the Ind AS financial statements for the year ended 31 March 2018.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified each year. In accordance with this programme, all the fixed assets were physically verified during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, the discrepancies observed on physical verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties of land and buildings which are freehold. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The Company is in the business of rendering services and as such does not hold any inventory. Therefore, the provisions of paragraph 3 (ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) According to information and explanations given to us and based on audit procedures performed, there are no loans, investments, guarantees and securities provided by the Company as specified under section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3 (iv) of the Order are not applicable to the Company.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Therefore, the provisions of paragraph 3(vi) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income- tax, Sales tax, Service tax, tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.



Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements of Nucleus Software Limited for the year ended 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of Nucleus Software Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Ind AS financial statements.



Meaning of Internal Financial Controls with reference to Ind AS financial statements

A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the ICAI.

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024



Rakesh Dewan
Partner
Membership No.: 092212

Place: Gurugram
Date: 03 May 2018

NUCLEUS SOFTWARE LIMITED
BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Notes Ref.	As at	As at	As at
		31 March 2018 (Rupees)	31 March 2017 (Rupees)	1 April 2016 (Rupees)
ASSETS				
Non-current assets				
Property, plant and equipment	2.1	143,635,510	146,397,609	150,427,608
Intangible assets	2.1	-	-	2,410
Financial assets				
Investments	2.2	23,000	23,000	23,000
Other financial assets	2.3	599,600	599,600	599,600
Income tax asset (net)	2.4	909,930	245,774	294,680
Other non-current assets	2.5	-	-	17,713
		145,168,040	147,265,983	151,365,011
Current Assets				
Financial assets				
Investments	2.6	28,980,007	21,026,274	13,699,983
Trade receivables	2.7	819,056	900,961	-
Cash and cash equivalents	2.8	263,390	202,868	396,691
Other financial assets	2.9	-	-	550,000
Other current assets	2.10	30,848	65,911	48,090
		30,093,301	22,196,014	14,694,764
Total Assets		175,261,341	169,461,997	166,059,775
EQUITY & LIABILITIES				
EQUITY				
Equity Share capital	2.11	100,000,000	100,000,000	100,000,000
Other equity	2.12	(6,536,740)	(6,571,873)	(6,185,985)
		93,463,260	93,428,127	93,814,015
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	2.13	-	73,177,409	66,828,684
Deferred tax liabilities	2.14	1,449,952	2,394,018	4,882,477
		1,449,952	75,571,427	71,711,161
Current liabilities				
Financial liabilities				
Borrowings	2.15	80,110,221	-	-
Trade payables	2.16	222,425	305,369	501,881
Current tax liabilities (net)	2.17	-	132,690	-
Other current liabilities	2.18	15,483	24,384	32,718
		80,348,129	462,443	534,599
TOTAL EQUITY AND LIABILITIES		175,261,341	169,461,997	166,059,775

See accompanying notes forming part of the financial statements 1 & 2

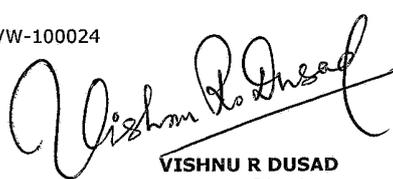
In terms of our report attached

For B S R & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number : 116231W/W-100024



RAKESH DEWAN
Partner
Membership number : 092212

For and on behalf of the Board of Directors



VISHNU R DUSAD
Managing Director



RAVI PRATAP SINGH
Director



POONAM BHASIN
Company Secretary



ASHISH NANDA
Chief Financial Officer

Place : Gurugram
Date : May 03, 2018

Place : Noida
Date : May 03, 2018

NUCLEUS SOFTWARE LIMITED
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH 2018

	Notes Ref.	Year ended 31 March 2018 (Rupees)	Year ended 31 March 2017 (Rupees)
1. REVENUE FROM OPERATIONS			
Rent Income	2.19	10,920,744	10,920,744
2. OTHER INCOME	2.20	1,108,944	826,292
3. TOTAL REVENUE (1+2)		12,029,688	11,747,036
4. EXPENSES			
a. Operating and other expenses	2.21	2,855,133	3,457,102
b. Finance cost	2.22	6,934,184	6,349,628
c. Depreciation and amortisation expense	2.1	2,762,099	4,032,413
TOTAL EXPENSES		12,551,416	13,839,143
5. LOSS BEFORE TAX (3-4)		(521,728)	(2,092,107)
6. TAX EXPENSE			
a. Current tax expense		387,205	782,240
b. Deferred tax charge		(944,066)	(2,488,459)
NET TAX EXPENSE		(556,861)	(1,706,219)
7. PROFIT/(LOSS) FOR THE YEAR (5-6)		35,133	(385,888)
8. OTHER COMPREHENSIVE INCOME		-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-
9. TOTAL COMPREHENSIVE INCOME (7+8)		35,133	(385,888)
10. EARNINGS PER EQUITY SHARE			
Equity shares of Rupees 10 each			
a. Basic		0.0035	(0.0386)
b. Diluted		0.0035	(0.0386)
Number of shares used in computing earnings per share			
a. Basic		10,000,000	10,000,000
b. Diluted		10,000,000	10,000,000

See accompanying notes forming part of the financial statements

1 & 2

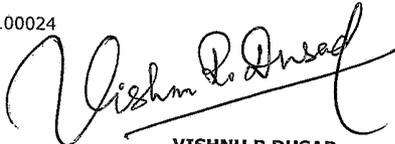
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For and on behalf of the Board of Directors



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Managing Director



RAVI PRATAP SINGH
Director



POORNAM BHASIN
Company Secretary



ASHISH NANDA
Chief Financial Officer

Place : Gurugram
Date : May 03, 2018

Place : Noida
Date : May 03, 2018

NUCLEUS SOFTWARE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Notes Ref.	Year ended 31 March 2018 (Rupees)	Year ended 31 March 2017 (Rupees)
A. Cash flow from operating activities			
Net profit / (loss) before tax		(521,728)	(2,092,107)
Adjustments for:			
Depreciation and amortisation expense		2,762,099	4,032,413
Interest expense on Loan		6,932,812	6,348,725
MTM gain or (loss) on mutual funds		-	(1,537)
Dividend income from current investments		(1,103,732)	(824,755)
Operating Profit / (loss) before working capital changes		<u>8,069,451</u>	<u>7,462,739</u>
Adjustment for (increase)/decrease in operating assets			
Trade receivables		81,905	(900,961)
Other financial assets		-	550,000
Other assets		35,063	(110)
Adjustment for increase/ (decrease) in operating liabilities			
Trade payable and other current liabilities		<u>(91,847)</u>	<u>(204,846)</u>
Income tax paid (net)		8,094,572	6,906,822
Net cash from / (used in) operating activities (A)		<u>6,910,524</u>	<u>6,306,177</u>
B. Cash flow from investing activities			
Purchase of current investments		(11,203,734)	(20,124,755)
Proceeds from sale of current investments		3,250,000	12,800,000
Dividend income from current investments		1,103,732	824,755
Net cash from / (used in) investing activities (B)		<u>(6,850,002)</u>	<u>(6,500,000)</u>
C. Cash flow from financing activities			
Net cash from/ (used in) financing activities (C)		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)		<u>60,522</u>	<u>(193,823)</u>
Cash and cash equivalents at the beginning of the year	2.8	202,868	396,691
Cash and cash equivalents at the end of the year	2.8	<u>263,390</u>	<u>202,868</u>
See accompanying notes forming part of the financial Statements	1 & 2		

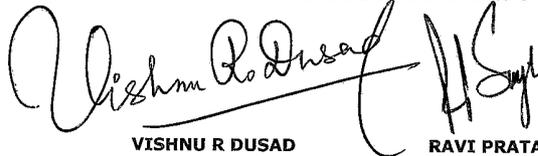
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For **BSR & ASSOCIATES LLP**
Chartered Accountants
Firm Registration Number:116231W/W-100024



RAKESH DEWAN
Partner
Membership Number :092212

For and on behalf of the Board of Directors



VISHNU R DUSAD
Managing Director

RAVI PRATAP SINGH
Director



POONAM BHASIN
Company Secretary



ASHISH NANDA
Chief Financial Officer

Place : Gurugram
Date : May 03, 2018

Place : Noida
Date : May 03, 2018

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Amount in Rupees)

	Changes in equity share capital during the year	Balance as on 31 March 2018
Balance as of 1 April 2017	100,000,000	100,000,000
	-	

	Changes in equity share capital during the year	Balance as on 31 March 2017
Balance as of 1 April 2016	100,000,000	100,000,000
	-	

B. Other Equity

(Amount in Rupees)

	Equity component of interest free loan	Reserves and Surplus Retained earnings	Total
Balance as of 1 April 2017	19,440,188	(26,012,061)	(6,571,873)
Profit/(Loss) for the year	-	35,133	35,133
Balance as of 31 March 2018	19,440,188	(25,976,928)	(6,536,740)

(Amount in Rupees)

	Equity component of interest free loan	Reserves and Surplus Retained earnings	Total
Balance as of 1 April 2016	19,440,188	(25,626,173)	(6,185,985)
Profit/(Loss) for the year	-	(385,888)	(385,888)
Balance as of 31 March 2017	19,440,188	(26,012,061)	(6,571,873)

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B S R & ASSOCIATES LLP**

Chartered Accountants

Firm Registration Number : 116231W/W-100024

For and on behalf of the Board of Directors



RAKESH DEWAN
Partner
Membership number : 092212



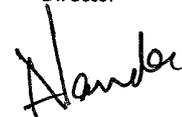
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ASHISH NANDA
Chief Financial Officer

Place : Gurugram
Date : May 03, 2018

Place : Noida
Date : May 03, 2018

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:

1.1 Company Overview

Nucleus Software Limited ('the Company') was incorporated on 21 April, 2008 in India. The Company's entire share capital is held by Nucleus Software Exports Ltd., India ('the Holding Company') and its nominees.

The Company had acquired 17.41 acres of land in a Special Economic Zone (SEZ) at Jaipur at a private sector multi-product Special Economic Zone, "Mahindra World City" in the year 2008-09. During the year 2010-11, the Company acquired the status of Co-Developer for the above land along with Mahindra World City (Jaipur) Ltd. (MWCJL). This was pursuant to approval granted by Board of Approvals (BOA) of the Ministry of Commerce in their meeting held on June 8, 2010, for developing, operating and maintaining the area of 17.41 acres in the said SEZ. In the first phase, the Company has developed an area of 2.87 acres and has let out a part of the same to the Holding Company w.e.f. 16 August 2011.

The Financial statements were approved for issue by the Board of Directors on May 03, 2018.

1.2. Significant accounting policies

i. Basis of preparation of financial statements

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2015, notified under section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note no. 2.27 and 2.28.

b) Functional and Presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

c) Basis of measurement

The financial statements have been prepared on the historical basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivative instruments)	Fair Value
Net defined benefit(asset)/liability	Fair value of plan assets less present value of defined benefit obligations

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent period financial statements is included in the following notes:



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- Estimation of current tax expense and payable – Note 2.4 and Note 2.16
- Estimated useful life of property, plant and equipment – Note 2.1
- Impairment of trade receivables- Note 2.6

Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a treasury team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The treasury team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

ii. Revenue Recognition

Lease income comprising of rent and other related services from operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

iii. Other income

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

iv. Property, Plant and equipment

Property, Plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment includes its purchase price, any directly attributable expenditure on making the asset ready for its intended use. Property, plant and



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equipment under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

Depreciation on property, Plant and equipment, is provided on the straight-line method based on useful lives of respective assets as estimated by the management taking into account nature of the asset, the estimated usage of the asset and the operating conditions of the asset. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow the Company.

The management's estimates of the useful lives of the various property, plant and equipment are as follows:

Asset category	Mangement estimate of useful life (in years)	Useful life as per Schedule II(in years)
Tangible asset		
Building	30	30
Plant and machinery (including office equipment)*	5	15
Computers- end user devices such laptops, desktops etc.*	3	3
Furniture and fixtures*	5	10

*Based on technical evaluation, the useful lives as given above represent the period over which the management believes to use these assets; hence these lives are different from the useful lives prescribed under Part C of schedule II of the Companies Act, 2013.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. Refer Note 2.27

v. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The management's estimates of the useful lives of the Software are 3 years.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its Intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets- Refer Note 2.27.



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vi. Financial instruments

a) Recognition and initial measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI)-equity investment; or
- FVTPL

Financial asset are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivatives financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.



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In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.



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d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

vii. Impairment

a) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

b) Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment



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loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

viii. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

ix. Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

x. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

xi. Taxation

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary



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differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement has been presented as Deferred Tax in Balance Sheet.

xii. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non –cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xiii. Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

xiv. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.



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The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Company does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.



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2.1 Property, plant and equipment and Intangible assets

PARTICULARS	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION / AMORTISATION		NET CARRYING AMOUNT	
	As at 1 April 2017	Additions	As at 31 March 2017	Depreciation for the year	As at 31 March 2018	As at 31 March 2018
Tangible assets						
Leasehold land	111,756,053	-	1,252,035	1,252,035	2,504,070	109,251,983
	(111,756,053)	-	(1,252,035)	(1,252,035)	(1,252,035)	(110,504,018)
Building	37,248,459	-	1,452,264	1,452,238	2,904,502	34,343,957
	(37,248,459)	-	(37,248,459)	(1,452,264)	(1,452,264)	(35,796,195)
Plant and equipment	1,099,857	-	1,021,860	46,276	1,068,136	31,721
	(1,099,857)	-	(1,099,857)	(1,021,860)	(1,021,860)	(77,997)
Computers	-	-	-	-	-	-
Furniture and fixtures	323,239	-	303,840	11,551	315,391	7,848
	(323,239)	-	(323,239)	(303,840)	(303,840)	(19,399)
Total	150,427,608	-	4,029,999	2,762,099	6,794,508	143,635,510
Previous Year	(150,427,608)	-	(150,427,608)	(4,029,999)	(4,029,999)	(146,397,609)
Intangible assets						
Softwares	2,410	-	2,410	(2,409)	2,410	-
	(2,410)	-	(2,410)	-	-	-
Total	150,430,018	-	4,032,409	2,762,099	6,794,508	143,635,510
Previous Year	(150,430,018)	-	(150,430,018)	(4,032,408)	(4,029,999)	(146,397,609)

Notes :

i. Figures in brackets denote amounts pertaining to previous year.

ii. As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as deemed cost for all the items of property, plant and equipment and Intangible assets.

Details of Gross Block of asset and accumulated depreciation as on 31 March 2016 are as under

Tangible assets	Gross Block as on 31 March 2016	Accumulated depreciation as on 31 March 2016	Deemed Cost as on 1 April 2016
Leasehold land	121,447,361	9,691,308	111,756,053
Building	43,566,992	6,318,533	37,248,459
Plant and equipment	13,622,471	12,522,614	1,099,857
Computers	5,054,935	5,054,935	-
Furniture and fixtures	5,317,562	4,994,323	323,239
Intangible assets	189,009,321	38,581,713	150,427,608
Software	402,328	399,918	2,410



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	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	(Rupees)	(Rupees)	(Rupees)
2.2 NON CURRENT INVESTMENTS (at amortised cost)			
Non Trade (unquoted)			
Investment in government securities	23,000	23,000	23,000
2.3 OTHER NON-CURRENT FINANCIAL ASSETS (Unsecured considered good unless otherwise stated)			
a. Security deposit	599,600	599,600	599,600
	599,600	599,600	599,600
2.4 INCOME TAX ASSETS (NET)			
Advance income tax [net of provision Rupees 490,777 (previous year Rupees 559,073)]	909,930	245,774	294,680
	909,930	245,774	294,680
2.5 OTHER NON-CURRENT ASSETS (Unsecured considered good unless otherwise stated)			
Prepaid expense	-	-	17,713
	-	-	17,713
2.6 CURRENT INVESTMENTS			
Investment in Mutual Funds (Unquoted) <i>Mutual funds at fair value through profit or loss (FVTPL)</i>			
a. 4,130.94 units (31 March 2017: 1,797.38 Units, 1 April 2016 : 13,542.62 units) in Kotak Floater Short Term Fund-Direct Plan-Daily Dividend-Reinvestment Option	4,178,942	1,818,265	13,699,983
b. 2,460,301.09 units (31 March 2017: 19,05,462.05 Units, 1 April 2016 : Nil) Kotak Treasury Advantage Fund-Direct Plan- Daily Dividend-Reinvestment Option	24,801,065	19,208,009	-
	28,980,007	21,026,274	13,699,983
Aggregate value of unquoted Investments	28,980,007	21,026,274	13,699,983
2.7 TRADE RECEIVABLES (Unsecured, considered good)			
a. Trade receivables - Considered good	819,056	900,961	-
	819,056	900,961	-
2.8 CASH AND CASH EQUIVALENTS			
a. Cash on hand	28	28	28
b. Balances with scheduled banks: - in current accounts	263,362	202,840	396,663
	263,390	202,868	396,691
Details of balances as on balance sheet dates with scheduled banks in current accounts:-			
- Citi Bank	211,745	202,840	233,456
- HDFC Bank	51,618	-	163,207
	263,363	202,840	396,663
2.9 OTHER CURRENT FINANCIAL ASSETS (Unsecured considered good unless otherwise stated)			
Application for Mutual fund	-	-	550,000
	-	-	550,000
2.10 OTHER CURRENT ASSETS (Unsecured considered good unless otherwise stated)			
a. Prepaid expenses	-	8,585	-
b. Balance with Government authorities	30,848	1,995	48,090
c. Advance to suppliers	-	55,331	-
	30,848	65,911	48,090



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11 SHARE CAPITAL

Particulars	As at 31 March 2018 (Rupees)	As at 31 March 2017 (Rupees)	As at 1 April 2016 (Rupees)
a. Authorized 10,000,000 (Previous Year 10,000,000) equity shares of Rupees 10 each	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
b. Issued, Subscribed and Fully Paid-Up 10,000,000 (Previous Year 10,000,000) equity shares of Rupees 10 each.	100,000,000	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>

Refer note (i) to (iii) below

(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year :

As at the beginning of the year			
- Number of shares	10,000,000	10,000,000	10,000,000
- Amount	100,000,000	100,000,000	100,000,000
Shares issued / (brought back) during the year			
- Number of shares	-	-	-
- Amount	-	-	-
As at the end of the year			
- Number of shares	10,000,000	10,000,000	10,000,000
- Amount	100,000,000	100,000,000	100,000,000

(ii) Rights, preferences and restrictions attached to shares :

The Company has one class of equity shares having a par value of Rupees 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by the Holding Company

Nucleus Software Exports Limited			
- Number of shares*	10,000,000	10,000,000	10,000,000
- Percentage	100%	100%	100%
- Amount	100,000,000	100,000,000	100,000,000

*Of the above, 6 (previous year 6) equity shares, fully paid up, are held by nominees on behalf of the holding company.



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Particulars	As at 31 March 2018 (Rupees)	As at 31 March 2017 (Rupees)	As at 1 April 2016 (Rupees)
12 OTHER EQUITY			
a. Retained earnings	(25,976,928)	(26,012,061)	(25,626,173)
b. Equity component of Interest free loan	19,440,188	19,440,188	19,440,188
	<u>(6,536,740)</u>	<u>(6,571,873)</u>	<u>(6,185,985)</u>

Particulars	Year ended 31 March 2018 (Rupees)	Year ended 31 March 2017 (Rupees)
a. Retained earnings		
Opening Balance	(26,012,061)	(25,626,173)
Add: Profit / (loss) for the year	35,133	(385,888)
Closing balance	<u>(25,976,928)</u>	<u>(26,012,061)</u>
b. Equity component of Interest free loan		
Unsecured Loan from holding company (refer note 2.13 and note 2.15)		
Opening balance	19,440,188	19,440,188
Closing balance	<u>19,440,188</u>	<u>19,440,188</u>
Closing balance	<u>(6,536,740)</u>	<u>(6,571,873)</u>

2.13 LONG TERM BORROWINGS

Unsecured loans			
Loan from holding company	-	73,177,409	66,828,684
	<u>-</u>	<u>73,177,409</u>	<u>66,828,684</u>

Note : The above loan is repayable on demand after five years from 1 April 2013 and is interest free. During the year ended 31 March, 2018, the Company has repaid Rupees Nil (Previous year Rupees Nil)

2.14 DEFERRED TAX LIABILITIES (NET)

A. Amounts recognised in profit or loss

Particulars	Year ended 31 March 2018 (Rupees)	Year ended 31 March 2017 (Rupees)
Current tax expense	387,205	782,240
Deferred tax expense		
Attributable to -		
Origination and reversal of temporary differences	(2,125,330)	(2,488,459)
MAT credit entitlement written off	1,181,264	-
Net tax expense	<u>(556,861)</u>	<u>(1,706,219)</u>

B. Amount recognised directly in other equity

Particulars	As at 31 March 2018 (Rupees)	As at 31 March 2017 (Rupees)	As at 1 April 2016 (Rupees)
Tax impact on interest free borrowings	-	-	10,288,507

C. Movement in temporary differences

Particulars	Balances as at 1 April 2017	Recognised [(credited)/charge] in profit or loss	As at 31 March 2018	As at 1 April 2016
Deferred tax asset				
MAT credit entitlement	1,229,548	801,629	427,919	496,214
Deferred tax liabilities				
Property, plant and equipment	1,224,258	653,613	1,877,871	782,217
Borrowings	2,399,308	(2,399,308)	-	4,596,474
	<u>2,394,018</u>	<u>(944,066)</u>	<u>1,449,952</u>	<u>4,882,477</u>

The utilisation of MAT credit entitlement is depending on future taxable profits. The MAT credit entitlement is recognised only to the extent that is probable that future taxable profits will be available against such MAT credit entitlement can be utilised. However, if there is a change in future taxable profits, which will also make the Company to forsee recognition of such unrecognised MAT credit entitlement amounting to Rs.1,181,264, the same may be recognised.



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Particulars	As at 31 March 2018 (Rupees)	As at 31 March 2017 (Rupees)	As at 1 April 2016 (Rupees)
2.15 SHORT TERM BORROWINGS			
Unsecured loans			
Loan from holding company	80,110,221	-	-
	80,110,221	-	-

Movement in Short term and Long term borrowings

Particulars	As at 31 March 2018 (Rupees)
Borrowings at the beginning of the year	73,177,409
Movement due to cash transactions per the statement of cashflows	-
Movement due to non-cash transactions - Interest expense on compound financial instrument	6,932,812
Borrowings at the end of the year	80,110,221

2.16 TRADE PAYABLES			
a. Trade Payables Total outstanding dues of creditors other than micro enterprises and small enterprises	222,425	305,369	352,454
b. Due to holding company (refer note 2.24)	-	-	149,427
	222,425	305,369	501,881

Note: The Company has no amounts payable to Micro, and Small enterprises as defined in section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor.

2.17 CURRENT TAX LIABILITIES (NET)			
a. Provision for tax [net of advance tax of Rs. Nil (previous year Rs. 600,644)]	-	132,690	-
	-	132,690	-

2.18 OTHER CURRENT LIABILITIES			
a. Other payables - statutory liabilities	15,483	16,621	32,718
b. Book overdraft	-	7,763	-
	15,483	24,384	32,718



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Particulars	Year ended 31 March 2018 (Rupees)	Year ended 31 March 2017 (Rupees)
2.19 INCOME FROM RENTAL SERVICES		
a. Rental income	<u>10,920,744</u>	<u>10,920,744</u>
2.20 OTHER INCOME		
a. Interest income on financial assets- carried at amortised cost :		
- Deposits with banks	5,212	-
b. Dividend Income from - Current, non trade investments	1,103,732	824,755
c. MTM gain or (loss) on mutual funds	-	1,537
	<u>1,108,944</u>	<u>826,292</u>
2.21 OPERATING AND OTHER EXPENSES		
a. Power and fuel	33,200	217,510
b. Repair and maintenance	2,298,120	2,097,180
c. Insurance	39,353	34,213
d. Rates and taxes	12,297	144,300
e. Legal and professional (refer note below)	136,421	265,089
f. Directors' sitting fees	323,823	641,200
g. Miscellaneous expenses	11,919	57,610
	<u>2,855,133</u>	<u>3,457,102</u>
Legal and professional expenses include:		
Payment to Statutory Auditors - Audit fees (excluding tax)	<u>150,000</u>	<u>150,000</u>
2.22 FINANCE COST		
a. Bank charges	1,372	903
b. Interest expense on Loan	6,932,812	6,348,725
	<u>6,934,184</u>	<u>6,349,628</u>
2.23 EARNINGS PER SHARE		
a. Profit/ (Loss) after taxation available to equity shareholders (Rupees)	35,133	(385,888)
b. Weighted average number of equity shares used in calculating earnings	10,000,000	10,000,000
c. Basic and Diluted earnings per share (Rupees)	0.0035	(0.0386)



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2.24 RELATED PARTY TRANSACTIONS

List of related parties

- a. Holding Company - where control exists**
- Nucleus Software Exports Limited
- b. Key Management Personnel**
- Mr. Vishnu R Dusad, Managing Director

Particulars	Year ended 31 March 2018 (Rupees)	Year ended 31 March 2017 (Rupees)
Transactions with related parties		
a. Rental income		
- Nucleus Software Exports Limited	10,920,744	10,920,744
b. Interest expense on borrowings		
- Nucleus Software Exports Limited	6,932,812	6,348,725

Outstanding balances as at year end

Particulars	As at 31 March 2018 (Rupees)	As at 31 March 2017 (Rupees)	As at 1 April 2016 (Rupees)
a. Borrowings	80,110,221	73,177,409	66,828,684
b. Trade payables	-	-	149,427
c. Trade receivables	819,056	900,961	-

2.25 SEGMENT REPORTING

Based on the guiding principles stated in Accounting Standard-17 on "Segment Reporting", as specified under section 133 of the Act as applicable, the Company does not have any reportable operating segment information as required to be disclosed by this statement. Accordingly, no additional disclosure for segment reporting is required in the financial statements.



2.26 Financial Instruments

a) Financial Instruments by category

The carrying value and fair value of financial instruments by categories of 31 March 2018 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (2.8)	263,390	-	-	263,390	263,390
Investments (2.2 and 2.6)					
Mutual funds	-	28,980,007	-	28,980,007	28,980,007
Government securities	23,000	-	-	23,000	23,000
Trade receivables (2.7)	819,056	-	-	819,056	819,056
Other financial assets (2.3 and 2.9)	599,600	-	-	599,600	599,600
	<u>1,705,046</u>	<u>28,980,007</u>	<u>-</u>	<u>30,685,054</u>	<u>30,685,053</u>
Liabilities:					
Trade payables (2.16)	222,425	-	-	222,425	222,425
Borrowings (2.13 and 2.15)	80,110,221	-	-	80,110,221	80,110,221
	<u>80,332,646</u>	<u>-</u>	<u>-</u>	<u>80,332,646</u>	<u>80,332,646</u>

The carrying value and fair value of financial instruments by categories of 31 March 2017 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (2.8)	202,868	-	-	202,868	202,868
Investments (2.2 and 2.6)					
Mutual funds	-	21,026,274	-	21,026,274	21,026,274
Government securities	23,000	-	-	23,000	23,000
Trade receivables (2.7)	900,961	-	-	900,961	900,961
Other financial assets (2.3 and 2.9)	599,600	-	-	599,600	599,600
	<u>1,726,428</u>	<u>21,026,274</u>	<u>-</u>	<u>22,752,702</u>	<u>22,752,702</u>
Liabilities:					
Trade payables (2.16)	305,369	-	-	305,369	305,369
Borrowings (2.13 and 2.15)	-	-	-	-	-
	<u>305,369</u>	<u>-</u>	<u>-</u>	<u>305,369</u>	<u>305,369</u>

The carrying value and fair value of financial instruments by categories of April 1, 2016 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (2.8)	396,691	-	-	396,691	396,691
Investments (2.2 and 2.6)					
Mutual funds	-	13,699,983	-	13,699,983	13,699,983
Government securities	23,000	-	-	23,000	23,000
Trade receivables (2.7)	1,149,600	-	-	1,149,600	1,149,600
Other financial assets (2.3 and 2.9)	1,149,600	-	-	1,149,600	1,149,600
	<u>1,569,292</u>	<u>13,699,983</u>	<u>-</u>	<u>15,269,274</u>	<u>15,269,274</u>
Liabilities:					
Trade payables (2.16)	501,881	-	-	501,881	501,881
Borrowings (2.13 and 2.15)	66,828,684	-	-	66,828,684	66,828,684
	<u>67,330,565</u>	<u>-</u>	<u>-</u>	<u>67,330,565</u>	<u>67,330,565</u>

The carrying amount of current trade receivables, trade payables, other current financial asset and cash and cash equivalent are considered to be same as their fair values, due to their short-term nature.

The fair value of Non-current security deposit and borrowings were calculated based on cashflows discounted using a transition date lending rate as there is no material change in the lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusions of unobservable inputs including counterparty credit risk.



b) Fair value hierarchy

- Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value

- Specific valuation techniques used to value financial instruments include:
a) the use of quoted market prices or dealer quotes for similar instruments.
b) for forward exchange contracts, the fair value is determined using quoted forward exchange rates at the reporting date.
c) the fair value of remaining financial instruments is determined using discounted cash flows method.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2018:

Particulars	As at March 2018	Level 1	Level 2	Level 3
Financial assets				
Mutual fund units (2.2)	28,980,007	28,980,007	-	-
Investment in Government securities (2.3)	23,000	-	-	23,000
Non - Current Financial Assets- Security deposits (2.3)	599,600	-	-	599,600
Financial Liabilities				
Borrowings (2.12)	80,110,221	-	-	80,110,221

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2017:

Particulars	As at March 2017	Level 1	Level 2	Level 3
Financial assets				
Mutual fund units (2.2)	21,026,274	21,026,274	-	-
Investment in Government securities (2.3)	23,000	-	-	23,000
Non - Current Financial Assets- Security deposits (2.3)	599,600	-	-	599,600
Financial Liabilities				
Borrowings (2.12)	-	-	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 1 April, 2016:

Particulars	As at April 2016	Level 1	Level 2	Level 3
Financial assets				
Mutual fund units (2.2)	13,699,983	13,699,983	-	-
Investment in Government securities (2.3)	23,000	-	23,000	-
Non - Current Financial Assets- Security deposits (2.3)	599,600	-	-	599,600
Application money for Mutual fund (2.18)	550,000	-	550,000	-

c) Financial risk management

- The Company's activities expose it to a variety of financial risks arising from financial instruments
- Market risk,
- Credit risk and
- Liquidity risk

i) Market risk

The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the concentration of risk from single customers. The Company has no transactions in foreign currency.



Price risk

(a) Exposure

The Company's exposure to Mutual funds price risk arises from Investments held by the Company and classified in the balance sheet at fair value through profit or loss.

(b) Sensitivity

The sensitivity of profit or loss in respect of Investments in mutual funds at the end of the reporting period for +/- 2% change in price and net asset value is presented below:

	Impact on profit before tax		
	31 March 2018	31 March 2017	1 April 2016
Increase 2% Mutual funds	579,600	420,525	274,000
Decrease 2% Mutual funds	(579,600)	(420,525)	(274,000)

ii) Credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counter party fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 819,056 Rs. 900,961 and Rs. Nil as of March 31, 2018, March 31, 2017 and April 1, 2016. The Company has least credit risk as entire revenue is from holding company and which has huge cash reserve. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The Company has nil expected credit loss allowance.

Credit risk exposure

The company generates revenue by way of rental income from holding company which is received in subsequent months. Therefore, at any point of time there are no long outstanding receivables. Hence the company has no exposure to credit risk in respect of trade receivables.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by International and domestic credit rating agencies. Investments primarily include investment in mutual fund units.

a) Expected credit loss for loans, security deposits and Investments

As at 31 March 2018

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Security deposits	599,600	0%	-	599,600
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit-impaired	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA

As at 31 March 2017

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Security deposits	599,600	0%	-	599,600
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and not credit-impaired	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA

a) Expected credit loss for trade receivables under simplified approach

As at 31 March 2018

Ageing	Not due	0-90 days past due	90-180 days past dues	180-270 days past dues	270-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	819,056	-	-	-	-	-	819,056
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	819,056	-	-	-	-	-	819,056

As at 31 March 2017

Ageing	Not due	0-90 days past due	90-180 days past dues	180-270 days past dues	270-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	900,961	-	-	-	-	-	900,961
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	900,961	-	-	-	-	-	900,961



iii) Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has outstanding borrowings from holding companies which is repayable on demand after 31 March 2018. The company believes that the working capital is sufficient to meet its current requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	222,425	-	222,425
Borrowings	80,110,221	-	80,110,221

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	305,369	-	305,369
Borrowings	-	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities as of April 1, 2016:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	501,681	-	501,681
Borrowings	-	66,828,683.85	66,828,684

d) Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

(i) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, raise debts or issue new shares.



2.27 First-time adoption of Ind-AS

These financial statements of Nucleus Software Limited for the year ended March 31, 2018 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note 2.28.

Exemptions availed and exceptions applied on first time adoption of Ind-AS 101

A Optional exemptions availed

1 Property plant and equipment and intangible assets

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as deemed cost for all the items of property, plant and equipment and Intangible assets. The carrying values of property, plant and equipment as aforesaid are after making adjustments relating to decommissioning liabilities.

B Mandatory exceptions

1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- fair valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Discounted value of liability for decommissioning costs.

2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.



2.28 Reconciliations

a) Reconciliation of Total Equity

Particulars		As at 31 March, 2017	As at 1 April 2016
Equity as reported under Previous GAAP (A)		88,893,086	85,128,952
Impact of Ind AS opening adjustment (B)		8,685,063	-
Investments in Mutual funds at FVTPL		1,537	-
Equity component of Loan from Holding company		-	29,728,695
Interest on Loan from Holding Company (C)		(6,348,725)	(16,447,158)
		(6,347,188)	13,281,537
Equity in accordance with Ind AS (A+B+C)		91,230,961	98,410,489
Tax effects of adjustments		(2,197,166)	4,596,474
Total equity after tax adjustment in accordance with Ind AS		93,428,127	93,814,015
Movement in equity		4,535,041	8,685,063

b) Reconciliation of total comprehensive income

Particulars	For the year ended 31 March, 2017
Profit as per Previous GAAP	3,764,134
Adjustments	
Investments in Mutual funds at FVTPL	1,537
Interest on Loan from Holding Company	(6,348,725)
	(6,347,188)
Profit in accordance with Ind AS	(2,583,054)
Tax effects of adjustments	(2,197,166)
Profit for the year after tax adjustment in accordance with Ind AS	(385,888)
Other Comprehensive Income (OCI)	-
Total Comprehensive Income as per Ind AS	(385,888)



2.28 Reconciliations

c) Equity reconciliations

Particulars	Note	Opening Balance Sheet as at April 1, 2016			As at 31 March 2017		
		Reclassified IGAAP*	Effect of transition to Ind -AS	Ind AS	Reclassified IGAAP*	Effect of transition to Ind -AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		150,427,608	-	150,427,608	146,397,609	-	146,397,609
Intangible assets		2,410	-	2,410	-	-	-
Financial assets							
Investments		23,000	-	23,000	23,000	-	23,000
Other financial assets		599,600	-	599,600	599,600	-	599,600
Income tax asset		294,680	-	294,680	245,774	-	245,774
Other non-current assets		17,713	-	17,713	-	-	-
Current Assets							
Financial assets							
Investments	1.1	13,699,983	-	13,699,983	21,024,737	1,537	21,026,274
Trade receivables		-	-	-	900,961	-	900,961
Cash and cash equivalents		396,691	-	396,691	202,868	-	202,868
Other financial assets		550,000	-	550,000	-	-	-
Other current assets		48,090	-	48,090	65,911	-	65,911
Total Assets		166,059,775	-	166,059,775	169,460,460	1,537	169,461,997
EQUITY & LIABILITIES							
EQUITY							
Equity Share capital		100,000,000	-	100,000,000	100,000,000	-	100,000,000
Other equity	1.2 and 1.4	(14,871,048)	8,685,063	(6,185,985)	(11,106,914)	4,535,041	(6,571,873)
LIABILITIES							
Non-current liabilities							
Borrowings	1.2	80,110,221	(13,281,537)	66,828,684	-	73,177,409	73,177,409
Deferred tax liabilities	1.3	286,003	4,596,474	4,882,477	(5,290)	2,399,308	2,394,018
Current liabilities							
Financial liabilities							
Borrowings		-	-	-	80,110,221	(80,110,221)	-
Trade payables		501,881	-	501,881	305,369	-	305,369
Current tax liabilities (net)		-	-	-	132,690	-	132,690
Other current liabilities		32,718	-	32,718	24,384	-	24,384
TOTAL EQUITY AND LIABILITIES		166,059,775	-	166,059,775	169,460,460	1,537	169,461,997

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Explanation for reconciliation of Profit and Loss as previously reported under IGAAP to Ind AS

1.1 Investment in Mutual funds

Under Previous GAAP, Investments in Mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at Fair value through profit or loss. This change has resulted in increase in the profit for the year ended 31 March 2017 by Rs. 1,537 and increase in retained earning as at 31 March 2016 by Rs. Nil

1.2 Interest free Loan from Holding Company

As loan received from Nucleus Software Exports Limited, 100% holding company at nil interest rate, the same should be accounted at amortized cost using prevalent market rate of interest by As a result of this change, profit for the year ended 31 March 2017 decreased by Rs. 6,348,725 and reduced retained earning as at 31 March 2016 Rs. 16,447,158.

1.3 Deferred tax

Deferred Tax adjustment on transitional entries under Ind - AS has been made in accordance with Ind-AS. This has reduced profit for the year by Rs. 4,596,474 and increase retained earning by Rs. 2,197,166. The Previous GAAP require deferred tax accounting using the income statement approach, which focusses on differences between taxable profit and accounting profits for the period. Ind-AS 12 : Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

1.4 Other Equity

Adjustment to retained earnings have been made in accordance with Ind-AS, for the above mentioned line items.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.29 Function wise classification of the Statement of Profit and Loss

Particulars	Year ended 31 March 2018 (Rupees)	Year ended 31 March 2017 (Rupees)
Income from rental services	10,920,744	10,920,744
Gross Profit	10,920,744	10,920,744
General and administration expenses	9,789,317	9,806,730
Operating profit before depreciation	1,131,427	1,114,014
Depreciation	2,762,099	4,032,413
Operating profit/(Loss) after depreciation	(1,630,672)	(2,918,399)
Other income	1,108,944	826,292
Profit/(Loss) before taxation	(521,728)	(2,092,107)
Tax expense:		
Net current tax expense	387,205	782,240
Deferred tax charge	(944,066)	(2,488,459)
Profit/(loss) after taxation	35,133	(385,888)

2.30 Details of Specified Bank Notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016 as provided in the Table below:

Information pursuant to G.S.R. 308(E) dated 30 March 2017	Specified Bank notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	28	28
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	28	28

Note: For the purpose of this disclosure, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated 8 November 2016

2.31 TRANSFER PRICING

The Company is in the process of establishing a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its domestic transactions. The Company will further update above information and records and expects these to be in existence latest by due date of filing of return, as required under law. The management is of the opinion that all above transactions are at arm's length so that aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

2.32 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For **BSR & ASSOCIATES LLP**
Chartered Accountants
Firm Registration Number:116231W/W-100024

For and on behalf of the Board of Directors



RAKESH DEWAN
Partner
Membership Number :092212



VISHNU R DUSAD
Managing Director



RAVI PRATAP SINGH
Director



POONAM BHASIN
Company Secretary



ASHISH NANDA
Chief Financial Officer

Place : Gurugram
Date : May 03, 2018

Place : Noida
Date : May 03, 2018